

BINGHAM, DANA & GOULD LLP

150 FEDERAL STREET
BOSTON, MASSACHUSETTS 02110-1726

TEL 617 951 8000
FAX 617 951 8736

RECORDATION 20382
FILED 140

NOV 26 1996 1 20 PM

November 25, 1996

BY MESSENGER

Surface Transportation Board
Room 2311
12th Street & Constitution Avenue, N.W.
Washington, D.C. 20423
Attention Secretary

Ladies and Gentlemen:

Enclosed for recording with the Surface Transportation Board pursuant to Section 11301 of Title 49 of the U.S. Code are one original and one copy of the fully executed, notarized document described below.

This document is an Instrument of Adherence for Security Agreement (the "Instrument"), a primary document, dated as of November 8, 1996 by Carolina Coastal Railway, Inc. (the "Debtor") and accepted and agreed to by The First National Bank of Boston, as agent (the "Secured Party") and individually, The First National Bank of Chicago, Key Bank of New York, Fleet Bank, N.A. (formerly known as NatWest Bank, N.A.), CoreStates Bank, N.A., National City Bank, Kentucky, Union Bank of California, N.A., and LaSalle National Bank. The Instrument serves to include the Debtor as a new debtor under the Amended and Restated Security Agreement dated as of February 8, 1996 and recorded as document Nos. 19455A through 19469A which amended and restated that certain Security Agreement, dated as of June 2, 1995 and recorded as document Nos. 19455 through 19469, among certain borrowers referred to therein, and The First National Bank of Boston, as Agent for the Banks referred to therein. A description of the Debtor's rolling stock is attached to the Instrument as Schedule 2, as the same may be revised from time to time, but the property of the Debtor covered by the Instrument and the Amended and Restated Security Agreement is not limited to that listed on Schedule 2.

For reference purposes, I have also enclosed a copy of the Amended and Restated Security Agreement.

The names and addresses of the parties to the Instrument are as follows: the Debtor is Carolina Coastal Railway, Inc., whose chief executive office is located at One Park West

BOS-BUS 334571 1

BOSTON

HARTFORD

WASHINGTON

LONDON

NOV 26 1 36 PM '96
SURFACE TRANSPORTATION BOARD RECEIVED

Counterpart

BINGHAM, DANA & GOULD LLP

Circle, Midlothian, Virginia 23113; the Secured Party is The First National Bank of Boston, as Agent, whose head office is located at 100 Federal Street, Boston, Massachusetts 02110.

Included in the property covered by the aforesaid Instrument and Amended and Restated Security Agreement are railroad cars, locomotives and other rolling stock intended for use related to interstate commerce, or interests therein, owned and leased by the Debtor at the date of said Instrument or thereafter acquired by the Debtor or its successors.

A short summary of the document to appear in the index is as follows:

"An Instrument of Adherence for Security Agreement dated as of November 8, 1996 by Carolina Coastal Railway, Inc. (the "Debtor") and accepted and agreed to by The First National Bank of Boston, as agent (the "Secured Party") and individually, The First National Bank of Chicago, Key Bank of New York, Fleet Bank, N.A. (formerly known as NatWest Bank, N.A.), CoreStates Bank, N.A., National City Bank, Kentucky, Union Bank of California, N.A., and LaSalle National Bank, which serves to include the Debtor as a new debtor under the Amended and Restated Security Agreement dated as of February 8, 1996 and recorded as document Nos. 19455A through 19469A, amending and restating that certain Security Agreement dated as of June 2, 1995, recorded as document Nos. 19455 through 19469, among certain borrowers as the debtors, and The First National Bank of Boston, as Agent, as the secured party, covering all of the debtors' rolling stock and all other properties and rights. A description of the rolling stock is attached to the Instrument as Schedule 2."

Also enclosed is a check in the amount of \$22.00, payable to the Surface Transportation Board, to cover the recording fee prescribed by the Board in its rules and regulations.

Please acknowledge receipt of the enclosed documents by stamping and returning to our messenger the enclosed copy of this letter together with the Instrument as filed.

If you have any questions with respect to the enclosed documents, please call me collect at (617) 951-8804.

Sincerely,



Dongsup S. Kim

Enclosures

cc: Mr. Paul G. Feloney
Amy L. Kyle, Esq.
Deidre A. Doherty, Esq.
(each w/o enclosures)

SURFACE TRANSPORTATION BOARD
WASHINGTON, D.C. 20423-0001

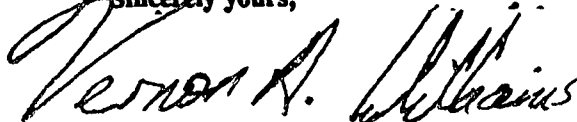
11/26/96

Dongsup S. Kim
Bingham, Dana & Gould LLP
150 Federal Street
Boston, Massachusetts 02110-1726

Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 11/26/96 at 1:40PM, and assigned recordation number(s). 20382, 20383, 20384 and 20385.

Sincerely yours,

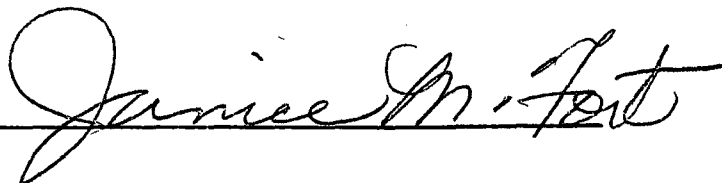


Vernon A. Williams
Secretary

Enclosure(s)

\$ 88.00 The amount indicated at the left has been received in payment of a fee in connection with a document filed on the date shown. This receipt is issued for the amount paid and in no way indicates acknowledgment that the fee paid is correct. This is accepted subject to review of the document which has been assigned the transaction number corresponding to the one typed on this receipt. In the event of an error or any questions concerning this fee, you will receive a notification after the Commission has had an opportunity to examine your document.

Signature



20382
NOV 26 1996 1:20 PM

INSTRUMENT OF ADHERENCE
FOR SECURITY AGREEMENT

Dated as of November 8, 1996

To: The Agent and the Banks who are parties to the
Credit Agreement (as such terms are defined below):

Reference is hereby made to the Amended and Restated Security Agreement (the "Security Agreement") dated as of February 8, 1996, among (a) Genesee & Wyoming Inc., Rochester & Southern Railroad, Inc., Louisiana & Delta Railroad, Inc., Genesee and Wyoming Railroad Company, Buffalo & Pittsburgh Railroad, Inc., Allegheny & Eastern Railroad, Inc., Willamette & Pacific Railroad, Inc., The Dansville and Mount Morris Railroad Company, GWI Leasing Corporation, Bradford Industrial Rail, Inc., Railroad Services, Inc., GWI Dayton, Inc., GWI Rail Management Corporation, Genesee & Wyoming Investors, Inc., GWI Switching Services, L.P., Portland & Western Railroad, Inc. Illinois & Midland Railroad, Inc. and Pittsburg & Shawmut Railroad, Inc. (together the "Original Borrowers"), and (b) The First National Bank of Boston, a national banking association, as agent (hereinafter, in such capacity, the "Agent") for itself and other financial institutions (hereinafter, collectively, the "Banks") which are or may become parties to an Amended and Restated Revolving Credit and Term Loan Agreement dated as of February 8, 1996 (as amended and in effect from time to time, the "Credit Agreement"), among (i) the Original Borrowers, (ii) Rail Link, Inc., Carolina Coastal Railway, Inc., Commonwealth Railway, Inc. and Talleyrand Terminal Railroad Company, Inc. (the "New Borrowers" and, together with the Original Borrowers, the "Borrowers"), (iii) the Banks and (iv) the Agent. All capitalized terms used herein without definitions shall have the meanings given such terms in the Security Agreement.

Each of the undersigned acknowledges, and represents and warrants, the following. (i) it is a corporation incorporated on or prior to the date hereof; (ii) as of the date hereof it has become a Borrower under the Credit Agreement pursuant to and in accordance with the Instrument of Adherence (Credit Agreement) dated as of the date hereof (the "Instrument") and is subject to and bound by all of the terms, conditions and covenants thereof; (iii) it is jointly and severally liable, together with the Original Borrowers, for the payment and performance of all obligations of the Borrowers under the Credit Agreement; (iv) it is a condition precedent to the Banks' making any additional loans or otherwise extending credit to the Borrowers under the Credit Agreement that it execute and deliver to the Agent, for the benefit of the Banks and the Agent,

this instrument of adherence; and (v) it wishes to grant security interests in favor of the Agent, for the benefit of the Banks and the Agent, as herein provided and to become a party to the Security Agreement.

Each of the undersigned by its execution of this Instrument of Adherence hereby joins the Security Agreement and becomes a Borrower party thereto for all purposes thereof. Each of the undersigned further covenants and agrees that by its execution hereof it shall be bound by and shall comply with all terms and conditions of the Security Agreement, and thereby and hereby grants to the Agent, for the benefit of the Banks and the Agent, to secure the payment and performance in full of all of the Obligations, a security interest in and so pledges and assigns to the Agent, for the benefit of the Banks and the Agent, the following properties, assets and rights, wherever located, whether now owned or hereafter acquired or arising, and all proceeds and products thereof (all of the same being hereinafter called the "Collateral"):

All personal and fixture property of every kind and nature including, without limitation, all goods, accounts, including all accounts receivable, deposit accounts, contract rights, all rights of such New Borrower under any agreements with operating railroads pursuant to which rights of passage over tracks are granted during periods of emergency and disasters, all rights of such New Borrower under any leases pursuant to which such New Borrower leases any rolling stock, locomotives or other rail cars, of every kind and description, to any other person, all licenses, permits, agreements of any kind or nature pursuant to which such New Borrower possesses, uses or has authority to possess or use property (whether tangible or intangible) of others or others possess, use or have authority to possess or use property (whether tangible or intangible) of such New Borrower, all recorded data of any kind or nature, regardless of the medium of recording including, without limitation, all software, writings, plans, specifications and schematics, all rights to the payment of money including without limitation tax refund claims, insurance refund claims and all other insurance claims and proceeds, tort claims, chattel paper, documents, instruments, general intangibles, all certificated and uncertificated securities, together with all income therefrom, increases thereunder and proceeds thereof, patents, patent applications, trademarks, trademark applications, tradenames, copyrights, copyright applications, rights to sue and recover for past infringement of patents, trademarks and copyrights, computer programs, computer software, engineering drawings, service marks, customer lists, goodwill, books and records, furniture, fixtures, motor vehicles of every kind and description including, without limitation, the motor vehicles described on Schedule 1 attached hereto, and all related equipment, parts and accessories with respect thereto (including, without limitation, tires and parts, whether now owned or hereafter acquired), and all substitutions and replacements therefor, rolling stock, locomotives and all other rail cars of every kind and description, including, without limitation, the rolling stock, locomotives and rail cars described on

Schedule 2 attached hereto, rail, ties and capital improvements thereon, equipment, all maintenance of way equipment, including, without limitation, the maintenance of way equipment having an original value of greater than \$50,000 which is described on Schedule 3 attached hereto, inventory and all other capital assets and raw materials.

Each New Borrower acknowledges and agrees that, in applying the law of any jurisdiction that has now enacted or hereafter enacts all or substantially all of the uniform revision of Article 8 of the Uniform Commercial Code, with new provisions added to Article 9 contemplated by such revision, all as approved in 1994 by the American Law Institute and the National Conference of Commissioners on Uniform State Laws, the foregoing description of Collateral shall be deemed to include "investment property" as defined in such new provisions of Article 9, it being the intention of such New Borrower that such property be included in the foregoing description of Collateral, whether prior to or after the effectiveness of such revision in such jurisdiction.

Each of the undersigned has attached hereto a duly completed Perfection Certificate in the form prescribed by the Security Agreement, and represents and warrants as provided in the Security Agreement with respect to the matters set forth in such Perfection Certificate. Each of the undersigned further covenants and agrees that by its execution hereof it shall provide all such information, complete all such forms and, take all such actions, and enter into all such agreements, in form and substance reasonably satisfactory to the Agent that are reasonably deemed necessary by the Agent in order to grant a valid, first-priority perfected security interest to the Agent and the Banks in all of the assets of such undersigned securing the Obligations.

This Instrument of Adherence for Security Agreement shall take effect as a sealed instrument and shall be governed by and construed in accordance with the laws of the Commonwealth of Massachusetts.

Very truly yours,

RAIL LINK, INC.

By: James W Benz
Name: James W. Benz
Title: President

**CAROLINA COASTAL
RAILWAY, INC.**

By: James W Benz
Name: James W. Benz
Title: President

COMMONWEALTH RAILWAY, INC.

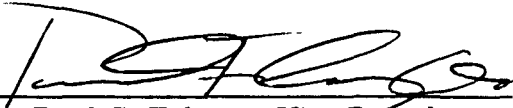
By: James W Benz
Name: James W. Benz
Title: President

**TALLEYRAND TERMINAL
RAILROAD COMPANY, INC.**

By: James W Benz
Name: James W. Benz
Title: President

Accepted and Agreed:

**THE FIRST NATIONAL BANK
OF BOSTON**, individually and as Agent

By: 
Paul G. Feloney, Vice President

**THE FIRST NATIONAL BANK
OF CHICAGO**, individually and as Co-Agent

By: _____
Name:
Title:

KEY BANK OF NEW YORK, individually
and as Co-Agent

By: _____
Name:
Title:

FLEET BANK, N.A.

By: _____
Name:
Title:

CORESTATES BANK, N.A.

By: _____
Name:
Title:

Accepted and Agreed:

THE FIRST NATIONAL BANK
OF BOSTON, individually and as Agent

By: _____
Paul G. Feloney, Vice President

THE FIRST NATIONAL BANK
OF CHICAGO, individually and as Co-Agent

By: *Amy R. Fahey*
Name: *AMY R. FAHEY*
Title: *VICE PRESIDENT*

KEY BANK OF NEW YORK, individually
and as Co-Agent

By: _____
Name:
Title.

FLEET BANK, N.A.

By: _____
Name.
Title:

CORESTATES BANK, N.A.

By: _____
Name.
Title:

Accepted and Agreed:

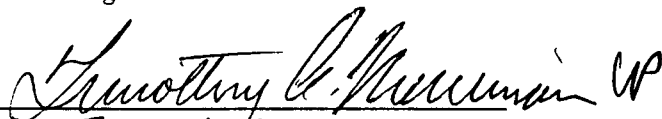
**THE FIRST NATIONAL BANK
OF BOSTON**, individually and as Agent

By: _____
Paul G. Feloney, Vice President

**THE FIRST NATIONAL BANK
OF CHICAGO**, individually and as Co-Agent

By: _____
Name
Title:

KEY BANK OF NEW YORK, individually
and as Co-Agent

By: 
Name: *TIMOTHY A. MERRIMAN*
Title: *VICE PRESIDENT*

FLEET BANK, N.A.

By: _____
Name.
Title.

CORESTATES BANK, N.A.

By: _____
Name.
Title

Accepted and Agreed

THE FIRST NATIONAL BANK
OF BOSTON, individually and as Agent

By: _____
Paul G. Feloney, Vice President

THE FIRST NATIONAL BANK
OF CHICAGO, individually and as Co-Agent

By: _____
Name:
Title:

KEY BANK OF NEW YORK, individually
and as Co-Agent

By: _____
Name:
Title:

FLEET BANK, N.A.

By: Anthony C. Nocera, VP
Name: Anthony C. Nocera
Title: Vice Pres

CORESTATES BANK, N.A.

By _____
Name:
Title

Accepted and Agreed:

THE FIRST NATIONAL BANK
OF BOSTON, individually and as Agent

By: _____
Paul G Feloney, Vice President

THE FIRST NATIONAL BANK
OF CHICAGO, individually and as Co-Agent

By: _____
Name.
Title

KEY BANK OF NEW YORK, individually
and as Co-Agent

By: _____
Name:
Title:

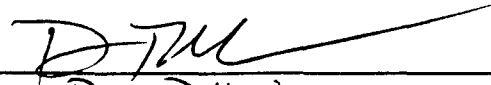
FLEET BANK, N.A.

By: _____
Name:
Title:

CORESTATES BANK, N.A.

By: Verna R. Prentice
Name: Verna R. Prentice
Title Vice President

NATIONAL CITY BANK, KENTUCKY

By: 
Name: DON PULLEN
Title: V.P.

UNION BANK OF CALIFORNIA, N.A.

By: _____
Name: _____
Title: _____

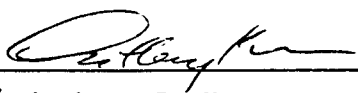
LASALLE NATIONAL BANK

By: _____
Name: _____
Title: _____

NATIONAL CITY BANK, KENTUCKY

By: _____
Name:
Title:

UNION BANK OF CALIFORNIA, N.A.

By:  _____
Name: Anthony B. Kwee
Title: Vice President

LASALLE NATIONAL BANK

By: _____
Name:
Title:

NATIONAL CITY BANK, KENTUCKY

By: _____
Name:
Title:

UNION BANK OF CALIFORNIA, N.A.

By: _____
Name:
Title:

LASALLE NATIONAL BANK

By: Terri A. Maurer
Name: Terri Maurer
Title: VP

Schedule 1

Motor Vehicles

None

Schedule 2

Rolling Stock

See Attached Sheet

RAIL LINK, INC.
SCHEDULE OF LOCOMOTIVES
AS OF 9/9/96

Owner

Owner

		UNIT #	TYPE	LOCATION	COST	12/31/95 ACC. DEPR	12/31/95 BOOK VALUE	
1) Carolina Coastal	→	127	W-1200	PINETOWN NC	CAROLINA COASTAL	13,395	9,981	4,314
2) Commonwealth	→	517	CF-7	SUFFOLK VA	COMMONWEALTH	73,843	40,811	33,032
3) Talleyrand	→	265	SW-10	JACKSONVILLE FL	TALLEYRAND	100,000	0	100,000
4) Talleyrand	→	279	SW-1200	JACKSONVILLE FL	TALLEYRAND	90,000	0	90,000
		5	SW-1200	PLYMOUTH NC	WEYERHAEUSER	43,275	33,047	10,228
		6	SW-1200	PLYMOUTH NC	WEYERHAEUSER	40,455	33,526	6,929
		7	GP-7	IESUP, CA	RAYONIER	67,800	45,089	22,711
8) Talleyrand	→	154	GP-7	IESUP GA	RAYONIER	67,200	44,615	22,585
		9	SW-1200	BRUNSWICK, GA	GA PACIFIC	99,463	0	99,463
		10	SW-1200	BRUNSWICK, GA	GA PACIFIC	99,539	0	99,539
		11	CF-7	FREEPORT TX	BASF	83,564	46,595	36,969
		12	CF-7	FREEPORT TX	BASF	85,004	47,031	37,973
		13	SW-7	DEER PARK TX	LUBRIZOL	77,200	33,289	43,911
		14	SW-1200	PASADENA, TX	GEORGIA GULF	45,000	20,468	24,532
		15	SW-900	PASADENA, TX	GEORGIA GULF	62,513	23,506	39,007
		16	CF-7	DEER PARK TX	SOLVAY	91,603	51,078	40,525
		17	CF-7	DEER PARK TX	SOLVAY	76,222	42,587	33,635
		18	CF-7	FREEPORT TX	DOW CHEMICAL	86,722	39,537	47,185
		19	CF-7	FREEPORT TX	DOW CHEMICAL	77,175	42,545	34,630
		20	SW-7	ALVIN TX	AMOCO	82,341	20,569	61,772
		21	SW-1200	ALVIN TX	AMOCO	81,459	12,956	68,503
		22	CF-7	FREEPORT TX	SHINTECH	84,448	51,890	32,558
		23	CF-7	FREEPORT TX	SHINTECH	86,861	47,139	39,722
		24	SW-10	PINE BLUFF AR	INTERNATIONAL PAPER	25,575	14,503	11,072
		25	SW-10	PINE BLUFF AR	INTERNATIONAL PAPER	25,738	12,546	13,192
		26	SW-8	PINE BLUFF AR	GAYLORD CONTAINER	92,435	10,077	82,358
		27	SW-900	PINE BLUFF AR	GAYLORD CONTAINER	93,535	10,208	83,327
		28	GP-16	LITTLE ROCK	3M	73,255	18,299	54,956
		29	GP-16	LITTLE ROCK	3M	71,474	17,854	53,620
		30	CF-7	LITTLE ROCK	3M **	77,956	43,300	34,656
		31	SW-7	CAMDEN AR	INTERNATIONAL PAPER	99,562	7,439	92,123
		32	SW-2	CAMDEN AR	INTERNATIONAL PAPER	62,393	4,562	57,831
		33	CF-7	BATCH POUCE LA	E-CON	75,404	42,045	33,359
		34	CF-7	BATCH POUCE LA	E-CON	67,572	37,578	29,994
		35	SW-7	MANFIELD LA	INTERNATIONAL PAPER	91,168	5,404	85,764
		36	SW-1200	MANFIELD LA	INTERNATIONAL PAPER	91,007	11,442	79,565
		37	GP-8	GREEN RIVER WY	GENERAL CHEMICAL	111,172	18,736	92,436
		38	GP-8	GREEN RIVER WY	GENERAL CHEMICAL	94,745	33,310	61,435
		39	GP-9	EASTOVER SC	UNION CAMP	70,834	17,594	53,240
		40	GP-16	EASTOVER SC	UNION CAMP	73,137	18,269	54,868
		41	SW-900	AUPORA, NC	UNASSIGNED	77,413	35,212	42,201
		42	SW-900	AUPORA, NC	UNASSIGNED	71,930	15,254	56,676
		43	SW-1200	AUPORA, NC	UNASSIGNED	34,754	25,596	9,158
		44	GE-45 TON	BRUNSWICK, GA	GA PACIFIC	49,056	12,365	36,691
		45	SW-1200	AUPORA, NC	UNASSIGNED	75,844	12,063	63,781
		46	GP-16	WHITE SPRING FL	UNASSIGNED	72,836	18,194	54,642
		47	GP-16	WHITE SPRING FL	OXY-CHEMICAL **	70,120	17,516	52,604
		48	SW-1200	HOPWELL VA	ALLIED SIGNAL **	65,660	17,402	48,258
		49	SW-1200	HOPWELL VA	ALLIED SIGNAL **	67,815	17,400	50,415

5,6,7,9-49
are
owned by
Rail Ldt. Inc.

\$3,595,868 \$1,257,527 \$2,338,341

** = LOCOMOTIVE IN LEASE SERVICE

Schedule 3

Maintenance of Way Equipment

None